

# SENATE, No. 241

## STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Senator SAMUEL D. THOMPSON**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Co-Sponsored by:**

**Senator Cruz-Perez**

**SYNOPSIS**

Requires limited liability company to disclose ownership information when submitting deed for recording.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



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1 AN ACT enhancing transparency of certain real estate transfers,  
2 amending P.L.1968, c.49, and supplementing P.L.2012, c.50  
3 (C.42:2C-1 et seq.).  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. Section 2 of P.L.1968, c.49 (C.46:15-6) is amended to read  
9 as follows:

10 2. In addition to other prerequisites for recording, no deed  
11 evidencing transfer of title to real property shall be recorded in the  
12 office of any county recording officer unless it satisfies the  
13 following requirements:

14 a. If the transfer is subject to any fee established under section  
15 3 of P.L.1968, c.49 (C.46:15-7) or section 2 of P.L.2003, c.113  
16 (C.46:15-7.1), a statement of the true consideration for the transfer  
17 shall be contained in the deed, the acknowledgment, the proof of the  
18 execution, or an appended affidavit by one of the parties to the deed  
19 or that party's legal representative.

20 b. If the transfer is exempt from any fee established under  
21 section 3 of P.L.1968, c.49 (C.46:15-7) or section 2 of P.L.2003,  
22 c.113 (C.46:15-7.1), an affidavit stating the basis for the exemption  
23 shall be appended to the deed.

24 c. If the transfer is of real property upon which there is new  
25 construction, the words "NEW CONSTRUCTION" in upper case  
26 lettering shall be printed clearly at the top of the first page of the  
27 deed, and an affidavit by the grantor stating that the transfer is of  
28 property upon which there is new construction shall be appended to  
29 the deed.

30 d. If the transfer is of residential real property containing one  
31 to four dwelling units to or from a limited liability company or  
32 foreign limited liability company, an affidavit identifying the  
33 members, managers, and other authorized persons of the company,  
34 as required pursuant to section 2 or section 3 of P.L. , c. (C. )  
35 (pending before the Legislature as this bill), shall be appended to  
36 the deed.

37 (cf: P.L.2004, c.66, s.2)  
38

39 2. (New section) When a limited liability company is the  
40 grantor or grantee of a deed for residential real property containing  
41 one to four dwelling units, together with the deed, the company  
42 shall submit for recording an affidavit disclosing the names and  
43 business addresses of all members, managers, and any other  
44 authorized persons, if any, of the limited liability company and the  
45 names and business addresses or, if none, the business addresses of

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 all shareholders, directors, officers, members, managers, and  
2 partners of any limited liability company or other business entity  
3 that are to be the members, managers, or authorized persons, if any,  
4 of such limited liability company. If any member, manager, or  
5 authorized person of the limited liability company is itself a limited  
6 liability company or other business entity, the affidavit shall  
7 disclose the names and addresses of the shareholders, directors,  
8 officers, members, managers, and partners of the limited liability  
9 company or other business entity until full disclosure of ultimate  
10 ownership by natural persons is achieved.

11

12 3. (New section) When a foreign limited liability company is  
13 the grantor or grantee of a deed for residential real property  
14 containing one to four dwelling units, together with the deed, the  
15 company shall submit for recording, an affidavit disclosing the  
16 names and business addresses of all members, managers, and any  
17 other authorized persons, if any, of the foreign limited liability  
18 company and the names and business addresses or, if none, the  
19 business addresses of all shareholders, directors, officers, members,  
20 managers, and partners of any foreign limited liability company or  
21 other business entity that are to be the members, managers, or  
22 authorized persons, if any, of that foreign limited liability company.  
23 If any member, manager, or authorized person of the foreign limited  
24 liability company is itself a foreign limited liability company or  
25 other business entity, the affidavit shall disclose the names and  
26 addresses of the shareholders, directors, officers, members,  
27 managers, and partners of the foreign limited liability company or  
28 other business entity until full disclosure of ultimate ownership by  
29 natural persons is achieved.

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31 4. This act shall take effect immediately.

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#### STATEMENT

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36 This bill would require a limited liability company or foreign  
37 limited liability company that is the grantor or grantee of a deed for  
38 residential real property containing one to four dwelling units to  
39 disclose the individual members of the company when it files a  
40 deed for recording.

41

42 Under this circumstance, the bill requires a company to submit  
43 for recording, together with the deed, an affidavit identifying the  
44 names and business addresses of all members, managers, and  
45 authorized persons of the company, and the names and business  
46 addresses of all shareholders, directors, officers, members,  
47 managers, and partners of any business entity that is to be a  
48 member, manager, or authorized person of the company. If any  
member, manager, or authorized person of the company is a

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1 business entity, the bill requires disclosure of all shareholders,  
2 directors, officers, members, managers, and partners of the business  
3 entity until full disclosure of ultimate ownership by natural persons  
4 is achieved.

5 At times, parties involved in real estate transfers conceal their  
6 identities by acting through limited liability companies. This bill  
7 enables the public to know the names of individuals involved in  
8 purchasing property in residential neighborhoods, although the  
9 individuals have acted through shell limited liability companies.